

**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE
RATE RAAC****1.01 Purpose**

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Blackstone Gas Company ("Blackstone Gas" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the increase of Residential Assistance discounts provided to customers taking service on discounted rate (Rate R-2 and Rate R-4) from July 1, 2005 in excess of the discounts provided to customers taking service, based on weather adjusted sales, under said rates during the twelve months ending June 30, 2005 (the "Base Period"), as described in the Department's D.T.E. 01-106-C order. In addition, the Company shall recover incremental costs related to the Arrearage Management Plan ("AMP") as approved by the Department in D.T.E. 05-86. The RAAC is subject to annual reconciliation/true-up based on actual sales and revenue.

1.02 Applicability

The RAAC shall be applicable to all Firm Customers unless otherwise designated. For billing purposes, the RAAC shall be included in the Local Distribution Adjustment Clause.

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective initially on November 1, 2005. Subsequently, on November 1st of each calendar year, the RAAF will be adjusted pursuant to the reconciliation described herein, unless otherwise ordered by the Department.

1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

(1) "Distribution Company" or "Company" is the Blackstone Gas Company.

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(3) “Base Period Discounts” is computed as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount existed and the actual rate revenue collected from customers during the Base Period based on weather adjusted sales.

(4) “AMP Incremental Costs” include incremental costs, credits and administrative costs less any Company benefits in connection with the Arrearage Management Plan.

1.05 Residential Assistance Adjustment Factor Formula

$$RAAF_x = \frac{[(RA_x) + \text{Cust}(\text{DCust}\$)_x + \text{Cust}(\text{AvgUse})(\text{DUse}\$)] \div \text{Fuse}_x}{[AMP_{F-A}]}$$

RAAF = The annual Residential Assistance Adjustment Factor.

RA_x = The Reconciliation Adjustment for Year x shall be the amount of over/under collection from the end of the Prior Year. Reconciliations shall be performed monthly and shall be based on revenue from Rate RAAC based on billed sales times the RAAF less the calculation for the actual customers participating in the Company’s discounted rates and those customers’ actual monthly usage as recorded in the Company’s billing data in excess of the Base Period Discounts and AMP Incremental Costs. Interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.

Cust_x = The estimated number of participating customers on the Company’s discounted rates over that for the Base Period.

AvgUse = The estimated average usage per customer for the forecast period determined from the most recent historical usage under the Company’s Residential Assistance Rates.

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DCust\$ = The difference between the non-discounted and discounted customer charge for the applicable rates.

DUse\$= The difference between the non-discounted and discounted usage charges for the applicable rates.

FUse_x = The estimated usage in the forecast period.

AMP_{F-A} = Forecasted AMP Incremental Costs for the Prior Year less actual AMP Incremental Costs for the Prior Year.

1.06 Information Required to be Filed with the Department

Information pertaining to the RAAC shall be filed with the Department at least forty five (45) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations

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